



April 15, 2019
Visitor's Center, Senator John C. Astle Conference Room
26 West Street, Annapolis, MD 21204
1:00pm-3:00pm
Minutes

Subcabinet Members:

Kelly M. Schulz, Secretary, Department of Commerce, Chair
Ken Holt, Secretary, Maryland Department of Housing and Community Development (DHCD)
Jim Rzepkowski, Acting Secretary, Department of Labor, Licensing and Regulation (DLLR)
Ben Grumbles, Secretary, Department of Environment (MDE)
Earl Lewis for Pete Rahn, Secretary, Department of Transportation (MDOT)
Robert McCord, Secretary, Department of Planning
Jimmy Rhee, Special Secretary, Governor's Office of Small, Minority, and Women Business Affairs (GOSBA)
Jim Fielder, Secretary, Maryland Higher Education Commission (MHEC)
Wendi Peters, Special Secretary, Smart Growth
Michael Higgs, Director of Assessments and Taxation (SDAT)
James McKittrick, Director of Legislative and Constituent Services on behalf of Secretary Haddaway
Riccio (DNR)

Guests:

Ben Wu, Deputy Secretary and COO, Department of Commerce
Horacio Tablada, Deputy Secretary, MDE
Tony Reed, Deputy Secretary, DHCD
Mike Morello, Governor's Office of Performance Improvement (GOPI)
Kenrick "Rick" Gordon, Governor's Office of Rural Broadband
Corbett Webb, SDAT
Mike Pantelides, DLLR
Dayne Freeman, DLLR
Ann Marie Gunning, DLLR
Bryan Moore, DLLR
Stanley Anderson, DLLR
Christopher Moore, DLLR
Bobbi Wallace, DLLR
Julie Woepke, Department of Commerce
Andrea Salizzoni, Department of Commerce
Jayson Knott, Department of Commerce
Kyle McColgan, Department of Commerce
Paul Beatty, Department of Commerce
Signe Pringle, Department of Commerce

I. Call to Order

Secretary Schulz called the meeting to order at 1:00pm.

II. Welcome

Secretary Schulz welcomed the Subcabinet and guests. Ms. Tatiana Wells, Director of the Visitor Center welcomed attendees on behalf of Senator John Astle and provided background on the room that the late Speaker of the House Michael Busch was instrumental in obtaining State funding and support. She added that Senator Astle has been a strong supporter of the Visitors Center and remains active with the organization.

III. Review and approval of February 12, 2019 Minutes

Upon a motion duly made and seconded, the minutes of the February 12, 2019 meeting were approved.

IV. Chair Update

Secretary Schulz briefly commented on the successful Regional Resources Workgroup kick-off meeting held on March 18, 2019. She expressed that the regional concept is beginning to function and expressed appreciate for the support by the Subcabinet.

Acting Secretary Rzepkowski joined Secretary Schulz in presenting a Citation of appreciation and recognition to the Division of Unemployment Insurance, DLLR for receiving the National Association of State Workforce Agencies Award for outstanding performance in promoting the State Information Data Exchange System. Accepting for the Division were Dayne Freeman, Assistant Secretary, Bryan Moore, Deputy Assistant Secretary, Stanley Anderson, Director of Benefits, Christopher Moore, State Information Data Exchange Administrator, and Bobbi Wallace, Director of Contributions.

V. 2019 Legislative Priority Update

Secretary Schulz opened the floor to the Subcabinet to provide updates on the 2019 Legislative Session. Mr. James McKittrick provided an update on legislation impacting oysters, catfish and shellfish food safety, Sunday hunting and noted the boost in aquaculture industry. Secretary Ben Grumbles reported on the bill banning Styrofoam and clean energy jobs act; both have uncertainty about being signed into law. He stated that the bills likely to get signed into law include the lead paint bill, Ellicott City flood mitigation funding and organics recycling. Deputy Secretary Earl Lewis reported on legislation that would have impacted the Traffic Relief Plan, the Washington Metropolitan Area Transit Authority (WMATA) funding, the electric vehicles (EV's) rebate program, and participation with MDE in the Transportation and Climate Initiative (TCI) – a seven (7) state consortium to reduce the carbon footprint.

Director Michael Higgs reported on the failed bill to eliminate the \$100 cancellation fee for businesses that are ceasing to operate. He informed the attendees of the new cost savings bill to allow communication via email related to real property taxes and a new recordation process that will assist counties. Mr. Higgs then made the members aware of a new requirement of businesses to report the number of women on their board of directors.

Secretary Ken Holt reported on Senate Bill 581, a bill impacting several Agencies that extends certain benefits under the More Jobs for Marylanders Program that locate or expand in opportunity zones. It also extends sustainable communities funding in opportunity zones and property tax credit for individuals restoring properties in Baltimore City collaboration with Project Creating Opportunities for Renewal and Enterprise (C.O.R.E.). It also offers workforce housing tax credits. Overall, \$56.5 million is being committed to enhance capabilities associated with opportunity zones.

Special Secretary Jimmy Rhee reported on the Small Business Administration (SBA) and Minority Business Enterprise (MBE) plan implantation. He stated there is strong interest in the cannabis industry by small businesses and refernced the new market investment program.

Secretary Schulz that while all of Commerce's departmental bills passed, there is a need to educate and work with legislators to demonstrate the importance of tax credit programs. She noted the need to building success stories and the reported that the opportunity zone tax credit program will be expanded to all industries with a few exceptions, and not limited to manufacturing.

Secretary Jim Fielder reported on legislation to decrease student debt which remains a priority. He stated the Promise Scholarship Program will now be available to undocumented immigrants. He added that non-credit courses will be included in apprenticeships and legal representation on both parties of sexual assault cases will be required.

Secretary Rob McCord reported on the repeal of the target investment funds in heritage areas of which each county has one, and a new central repository for all county plans. Acting Secretary Rzepkowski reported on DLLR's new name to Department of Labor as of July 1st and the streamlining of certain program criteria aligning with Federal requirements. He announced a new electronic licensing system will be funded to modernize the licensing process. He added that there will be three (3) summer studies on safe and safety, solar panel boxes and minimum wage. Lastly, he stated that the DLLR Police Force will be transferred to the Department of General Services.

VI. Subcabinet Workgroups

a. Customer Service

Mike Pantelides, Executive Director, Office of Small Business Regulatory Assistance, DLLR and Mike Morello, Director, GPOI presented an update. They reported on the evaluation of software products that could identify patterns in the customer service surveys to enhance customer experience management. Mr. Morello described several options that could be add-ons such as omni-channel feedback, web surveys, SMS text, phone IVR, website comments and customer relationship management case notes. He noted that the additional options would require an integration into the State's current systems. He then took questions of the Subcabinet. It was the consensus of the members to not pursue new software but seek to enhance current system perhaps with sentiment analysis. He concluded with a review of the number of surveys by Agency. (Presentation on file.)

b. Workforce

Ann Marie Gunning, Manager, Office of Workforce Development, Business Solutions Unit reviewed new programs in the unit that included opioid related workforce programs, the enhancements to the Employment Advancement Right Now (EARN) Program, and youth and registered apprenticeships. The presentation led to a discussion with the Subcabinet. Ms. Gunning continued by reporting on job placement efforts resulting from the layoffs at General Motors and PayPal. She concluded by stating the need to evaluate the Maryland Workforce Expressway usage and creative solutions to market the site. (Presentation on file.)

c. Job Creators

Deputy Secretary Ben Wu, Department of Commerce reported that the job creator list had been updated with the input from local economic development directors. He stated it was reviewed by the Deputy Secretaries on the March conference call. He noted 32 of the 115 projects are new. Subcabinet members discussed the list and recommended that it be distributed to the Regional Resources Teams.

d. Small Business

Corbett Webb, Associate Director, Taxpayer Services, SDAT presented the Workgroup's mission to improve agency coordination and outreach to make state government more accessible, effective and

efficient for Maryland's business community. He then provided the Workgroup's progress which included a new interagency communications system, discussion of the placement of the Maryland Business Express icon on Agencies' websites, cross training videos among Agencies, interagency events calendar, a Small Business Day for service providers and review of best practices from the National Governor's Association (NGA). (Presentation on file.)

e. Regional Resources Workgroup

Pat Keller, Assistant Secretary and Joe Griffiths, Local Assistance and Training Manager, MDP addressed the Subcabinet and gave an overview of the kick off meeting held March 18th, the designated five (5) regions and the Leaders of each Region. Mr. Keller explained the Agency representatives by region are being finalized with the first calls/meetings scheduled for April or May. Mr. Griffiths reviewed the proposed list of items to be collected by each Region and requested input. Consensus of the Subcabinet was to start with this list and as reports are given at future meetings, any gaps will be identified. (Presentation and handout on file.)

VII. Business Development Activity

Jayson Knott, Senior Director, Business Development, provided an overview of new and retained jobs since January of 2015. He reported on recent wins including Home Depot, Smithfield, Northrop Grumman Orbital ATK, and REGENXBIO. He cited several pending announcements and the recent announcement of the sales of Paragon Biosciences located at the University of Maryland Bio Park for \$1.2 billion reflecting confidence in Maryland start-ups and expansion opportunities. (Presentation on file.)

VIII. Rural Broadband Update

Kenrick "Rick" Gordon, Director, Governor's Office of Rural Broadband presented an update on a Request for Information (RFI) sent to counties to identify interest in a United States Department of Agriculture (USDA) ReConnect grant. 11 counties responded with four (4) selected. Two (2) other RFIs were issued to counties to gauge interest in completing feasibility studies and conducting pilot projects. The RFIs are pending. (Presentation on file.)

IX. Good of the Order

No further information was shared.

X. Adjournment

There being no further discussion and upon motion duly made and seconded, the meeting was adjourned at 3:00pm.